



U. S. Department of Justice

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PRESS RELEASE
***UTAH COMPANY, OREM RESIDENTS
CHARGED IN FEDERAL INDICTMENT***

***INDICTMENT ALLEGES THEY MADE FALSE
REPRESENTATIONS ABOUT WORK DONE ON FIVE
HIGHWAY CONSTRUCTION PROJECTS***

SALT LAKE CITY – Hikiau, Inc., a Utah corporation based in Orem that has done construction work on state and federally funded highway projects, and two Orem residents, Gerald Peterson, age 71, and Max Paul Peterson, age 42, have been indicted by a federal grand jury on charges alleging they made false statements and representations with respect to the character and quality of work performed and materials furnished in connection with the construction of highways and related projects around the state. The five-count indictment was returned Wednesday afternoon.

The charges in the indictment refer to work the company did on highway safety devices, including guard rails and crash barriers. In order to function correctly and protect the motoring public, these devices must be installed following precise standards. The indictment, which deals with five

projects, alleges the company knowingly failed to meet the standards, yet claimed to do so and took payment for the work.

The first two counts of the indictment relate to highway projects in Ogden. Count one alleges relates to approximately six Quadguard (a brand name) crash attenuators they installed along Interstate 15 from SR-193 to 31st Street in Ogden and Count two relates to a project along I-15 from 31st Street to 450 North in Ogden where they installed approximately nine Quadguard highway safety systems. The indictment alleges the defendants knowingly represented the highway safety systems they installed to be certified in compliance with Utah Department of Transportation and manufacturing specifications when, in fact, they knew the safety systems were improperly installed.

(Editor's note: These are the devices one sees along the highway, either in the median or on the shoulder, just before a section of Jersey barrier. They look somewhat like a plastic barrel attached to a guardrail. They are intended to absorb the energy of a vehicle impact and both prevent the vehicle and its occupants from sustaining the kind of damage they would by hitting a concrete wall directly and to prevent the vehicle from being deflected back into the traffic, thus, causing further accidents, injuries, or even fatalities.)

Count three of the indictment relates to work the company did along Interstate I-84 between the Mountain Green interchange to Morgan. Again, the company installed approximately four Quadguard highway safety systems that the indictment alleges were improperly installed although the company represented them to be in compliance with the Utah Department of Transportation and manufacturer specifications.

Count four of the indictment charges the defendants with improperly installing approximately nine guardrail highway safety systems along Interstate 15 in Beaver, Iron, and Washington counties and count five alleges they installed a guardrail highway safety system in Kane County and certified had been installed according to specifications when they knew it had been improperly installed.

In some instances, the allegations of improper installation relate to the specific piece of highway equipment. In other instances, it has to do with the installation and design of the project, including where the equipment is placed and how the ground or road material is prepared where the equipment is installed.

Damage estimates for the five projects are still being analyzed.

Summons will be issued to the company and the Petersons to appear in federal court for an initial appearance on the indictment. The potential maximum penalty for each count of the indictment is five years in prison. Defendants charged in indictments are presumed innocent unless or until proven guilty in court.

U.S. Attorney for Utah Brett L. Tolman praised the work of the U.S. Department of Transportation, Office of Inspector General; the Federal Highway Administration; and the Utah Department of Transportation, who are involved in the investigation of the case.

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